

## Improvements Made to SDRS Web Site

You've probably logged onto the SDRS Web site ([www.state.sd.us/sdrs/](http://www.state.sd.us/sdrs/)) to try the benefit calculator or to research the Supplemental Retirement Plan. But you may not have realized that the site has been updated.

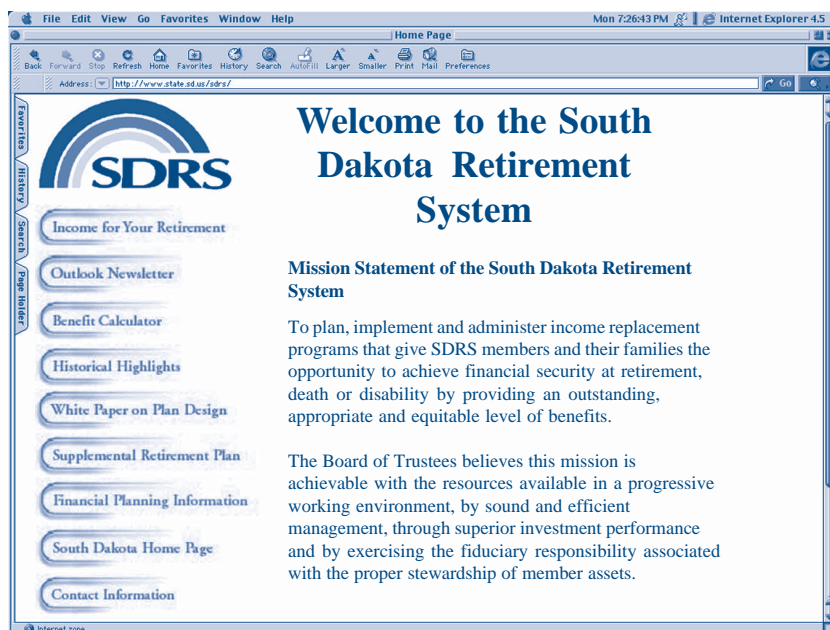
You can now print brochures directly from the site. This feature means that if you run out of printed copies you won't have to request more from SDRS and then wait for them to arrive. You can just print a copy to give to a member. The on-line brochures that you may need to pass on to members are:

- » *Disability Benefits*
- » *Information for Elected Officials*
- » *Protection for Your Survivors*


To access these brochures, click on "*Income for Your Retirement*" and then

choose the appropriate link under "Other Membership Information."

You can also download *Income for Your Retirement* (the general brochure), *Historical Highlights of the South Dakota Retirement System* and *A*



*Statement of Principles and Direction for the Plan Design of SDRS* (the system's white paper).

Of course, you can still use the benefit calculator and read *Outlook* online, but you should refer to the Web site periodically as it expands to meet your needs. 

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## The Answer Line



I've been reporting contributions manually since I became an authorized agent. Lately, I've heard a lot of talk about reporting electronically on disk. How does that work?



The process of reporting by disk is similar to reporting contributions manually. Instead of submitting a hard-copy of the report along with your unit's contributions, you submit a disk. With a disk, all the information required on the Contribution Report will be electronically ready for SDRS to process.



Would it be difficult to switch?



Switching from reporting manually to reporting by disk is simple. First, request the required electronic format from SDRS. Second, have

an electronic format created to SDRS's specifications. If you have questions, SDRS can supply you with documentation explaining the formatting requirements. Once the formatting is complete, you will be ready to submit your next contribution report on disk.



Does reporting by disk simplify the process?



Reporting by disk speeds up processing, prevents human error during encoding and, overall, provides more time- and cost-efficient reporting. 

SDRS invites all authorized agents to submit their questions concerning SDRS procedures and the duties of authorized agents to "The Answer Line." Please send your questions to:


Attn: Lisa Vander Maten, SDRS  
PO Box 1098  
Pierre, SD 57501-1098

## Coming to Terms: Termination

*The conclusion of a member's employment with an SDRS-participating employer.*

SDRS-covered employment ends as soon as:

- » a member retires
- » a member leaves employment either by choice or by dismissal
- » a member dies
- » a member leaves employment because of a disability
- » a member's position changes status from participating (full-time, permanent) to non-participating (under 20 hours per week and/or less than six months per year)

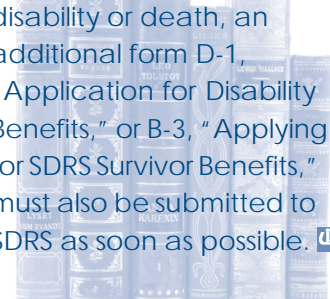
When a member ends SDRS-covered employment, a Form B-1, "Termination of Contributory Service," must be completed and submitted to SDRS. It is important to note that if the termination of employment is due to disability or death, an additional form D-1, "Application for Disability Benefits," or B-3, "Applying for SDRS Survivor Benefits," must also be submitted to SDRS as soon as possible. 



## Web Note

For more information about the South Dakota Retirement System check out the Web:

[www.state.sd.us/sdrs/](http://www.state.sd.us/sdrs/)



## The Way It Works: Compensation and Spiking



As an authorized agent, one of your most important jobs is reporting your unit's employee and employer contributions. These contributions include the required 5 percent of compensation for basic SDRS benefits (higher for members with Class B credited service) as well as voluntary deductions for optional spouse coverage, purchase of prior service credit or the Supplemental Retirement Plan.

When you are reporting contributions, you should pay special attention to the compensation paid to your unit's employees. Compensation is important to SDRS, not only because it determines the amount of contributions, but also because a

member's final average salary (generally compensation over the last three years of employment) is one third of the formula that determines a member's lifetime retirement benefit (**Multiplier X Final Average Salary X Credited Service = Annual Lifetime Retirement Benefit**).

Although a legitimate pay raise may elevate a member's final average salary, SDRS takes legitimate increases into consideration when actuarially calculating the amount of money that must be available to fund benefits.

Spiking, or artificially inflating, a member's final average salary during the last three years before retirement results in an unpaid for

increase in a member's lifetime retirement benefit.

To prevent artificial inflation in SDRS benefits, state law outlines what payments to employees can and cannot be counted as compensation. Payments not considered compensation include:

- » expense reimbursements and allowances
- » moving allowances
- » Workers' Compensation payments
- » employee benefit payments
- » payments based on an agreement to retire now or in the future
- » payments based on an agreement to terminate employment

### New Field Representative: Steve Anglin

SDRS members and authorized agents in eastern South Dakota recently welcomed a new field representative. Steve Anglin joined SDRS in June and is ready to meet with member groups. Please try to schedule presentations or individual member consultations with Steve or Ron VanPatten, SDRS's field representative for western South Dakota, two to three weeks in advance. Planning ahead allows them to arrange multiple meetings while in the area.

You can call Steve at (605) 782-3150 and Ron at (605) 343-3195.




### The Face Behind the Voice: Tammy McClelland



If you've called with questions during the last few months, you've probably heard a new voice. In June, Tammy McClelland joined SDRS as the new records management specialist. She is a main contact point for authorized agents and provides information on a variety of topics ranging from the proper way to complete forms to the procedure for assigning a new authorized agent.

Payments considered compensation are:

- » salary
- » overtime pay
- » vacation pay
- » sick pay
- » back pay
- » longevity pay
- » wages-in-kind
- » employer contributions to an employee's tax-sheltered annuity
- » employer payments to a deceased employee's survivor

Please contact SDRS at 773-3731 if you have any questions about what payments should be included as compensation. 

## SDRS Reminders

*When members of your unit change their names or addresses, SDRS also needs to be notified of the changes.*

### **Notify SDRS of Name and Address Changes**

When members of your unit change their names or addresses, SDRS also needs to be notified of the changes. Simple notes indicating changes of address are sufficient; however, please ensure that the members submit documentation verifying any name changes, such as a marriage certificate or divorce decree. This documentation allows SDRS to continue processing member records efficiently.

*Contribution rates for Class A credited service will increase to 6 percent for both members and employers as of July 1, 2002.*

### **Contribution Rates to Increase July 1, 2002**

Contribution rates for Class A credited service will increase to 6 percent for both members and employers as of July 1, 2002. Until that time, members with Class A credited service, and their employers, will continue to make contributions equal to 5 percent of pay. Contribution rates for members with Class B Judicial and Class B Public Safety credited service are not scheduled to change.

*Call a NDC Financial Services Representative at 1-800-959-4457 and ask for the Over-Contribution Report.*

### **Request an SDRS Supplemental Retirement Plan Over-Contribution Report**

If you would like to have a report generated that indicates whether any of your employees are likely to contribute to the SRP more than the maximum this year, please call a NDC Financial Services Representative at 1-800-959-4457 and ask for the Over-Contribution Report and additional assistance.

*SDRS files are identified by Social Security numbers.*

### **Save Time by Having Social Security Numbers On Hand**

When you call SDRS with a question about an employee, please be certain to have the employee's Social Security number. Since SDRS files are identified by Social Security numbers, having it ready will save you time.